

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-11 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

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FM AMEMBASSY WELLINGTON

TO SECSTATE WASHDC 856

INFO AMEMBASSY CANBERRA

USMISSION GENEVA

USMTN DELEGATION GENEVA

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: ETRD, EFIN, EGEN, NZ

SUBJ: NEW ZEALAND IMPORT DEPOSIT SCHEME

REF WELLINGTON 0322 (NOTAL), STATE 024210 (NOTAL)

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1. E/C COUNSELOR INFORMED ASSISTANT SECRETARY (TRADE POLICY) W.B.E. TUCKER OF THE DEPARTMENT OF TRADE AND INDUSTRY OF US REGRET OVER GNZ IMPORT DEPOSIT SCHEME PER PARA 1 OF STATE 024210. TUCKER WAS ALSO ADVISED OF UNITED STATES SUPPORT OF EXAMINATION OF SCHEME IN OECD AND "STRONG SUPPORT" FOR CONSIDERATION OF SCHEME BY GATT BOP COMMITTEE (PER PARA 2 REFTEL).

2. AMONG OFFHAND REMARKS TUCKER MADE ON REASONS FOR LIMITED OFFICIAL USE

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GNZ ACTION HE SAID PART OF NZ BALANCE OF PAYMENTS PROBLEM

WAS BROUGHT ABOUT BY DOMESTIC DEMAND CUTTING MEASURES IN SEVERAL INDUSTRIALIZED COUNTRIES. THESE OF COURSE ARE NOT SUSCEPTIBLE TO SCRUTINY IN GATT BOP COMMITTEE.

3. WHEN GNZ SIGNED THE OECD TRADE PLEDGE THE GNZ SPOKESMAN MADE THE CLARIFICATION THAT GNZ AGREED WITH THE SENTIMENTS OF THE PLEDGE, BUT WITH RESERVATIONS.

4. TUCKER SAID THAT FURTHER COMMENTS ON GNZ ACTION AND US REACTION MAY BE FORTHCOMING LATER. THESE WILL BE FORWARDED ON RECEIPT. END LIMITED OFFICIAL USE.

BEGIN UNCLASSIFIED

5. IN STATEMENT BY THE MINISTER OF CUSTOMS, P.I. WILKINSON, IN DISCUSSING GNZ IMPORT DEPOSIT SCHEME HE POINTED OUT THAT THE 1974/75 LEVEL OF IMPORTS OF THE SELECTED ITEMS WAS DOUBLE-THAT FOR 1972/73 AND MORE RECENT STATISTICS HAVE "CONFIRMED THE DESIRABILITY OF PROVIDING SOME DISINCENTIVE TO THE TREND." HE ALSO ADDED THAT THE FACT THAT SOME GOODS MIGHT ULTIMATELY FIND A USE IN PRODUCTION FOR EXPORT WOULD NOT, IN ITSELF, PRECLUDE CONSIDERATION IF FORWARD ORDERS OR EXCESSIVELY HIGH IMPORT LEVELS INDICATED THE NEED FOR CORRECTIVE ACTION TO BE TAKEN. HOWEVER, THE REGULATIONS WHICH IMPLEMENTED THE SCHEME PROVIDE FOR REASONABLE FLEXIBILITY WHICH WILL ENABLE CONSIDERATION TO BE GIVEN TO ANY INDIVIDUAL CASE WHERE THE IMPOSITION OF A DEPOSIT ON CERTAIN IMPORTS MIGHT NOT BE IN THE OVERALL INTERESTS OF THE NEW ZEALAND ECONOMY.

6. IN YET ANOTHER STATEMENT ON ADMINISTRATIVE DETAILS THE MINISTER STRESSED THAT THE SCHEME WOULD ONLY BE APPLIED TO GOODS WHICH WERE IMPORTED ON OR AFTER 2 FEBRUARY 1976. IN TERMS OF THE CUSTOMS ACT THIS MEANS THAT ONLY GOODS ON BOARD SHIPS AND AIRCRAFT WHICH ARRIVE IN NEW ZEALAND TERRITORIAL WATERS ON OR AFTER 2 FEBRUARY ARE, THEREFORE, AFFECTED AND THERE WAS NO ADVANTAGE TO BE GAINED BY IMPORTERS ENDEAVORING TO CLEAR THEIR GOODS THROUGH CUSTOMS BEFORE THAT DATE. IF THE GOODS ARRIVED BEFORE 2 FEBRUARY THEY ARE NOT SUBJECT TO DEPOSITS EVEN LIMITED OFFICIAL USE

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IF DELIVERY IS GIVEN AFTERWARDS.

7. THE MINISTER SAID THAT IMPORT DEPOSITS WOULD NOT NORMALLY BE NECESSARY FOR GOODS VALUED AT LESS THAN NZ\$100 (C.I.F.). IF, HOWEVER, IT SHOULD BECOME APPARENT THAT IMPORTATIONS ARE BEING ARRANGED TO TAKE UNDUE ADVANTAGE OF THIS CONCESSION AND THEREFORE DEFEAT THE PURPOSES OF THE SCHEME, IT WILL BE WITHDRAWN IN RESPECT OF

THE IMPORTER CONCERNED.

8. OTHER EXEMPTIONS FROM THE SCHEME INCLUDED PASSENGERS' BAGGAGE AND EFFECTS, DIPLOMATIC REQUIREMENTS, SHIPS' OR AIRCRAFTS' STORES AND HEIRLOOMS. GOODS IMPORTED FROM THE COOK ISLANDS, NIUE AND WESTERN SAMOA WERE ALSO EXEMPTED IN RECOGNITION OF NEW ZEALAND'S PARTICULAR RELATIONSHIP WITH THE ISLANDS.

9. THERE IS SOME PROVISION WITHIN THE REGULATIONS TO WAIVE OR MODIFY THE DEPOSIT REQUIREMENT IN SPECIAL CIRCUMSTANCES OF UNDUE HARDSHIP OR WHERE APPROVED CHARITABLE OR NON-PROFIT MAKING ORGANIZATONS ARE INVOLVED. IT IS NOT INTENDED, HOWEVER, THAT THIS PROVISION BE USED MERELY WHEN COMMERCIAL INTERESTS MIGHT HAVE SOME DIFFICULTY IN RAISING THE REQUIRED DEPOSITS. THIS WOULD DEFEAT THE PURPOSE OF THE REGULATIONS.
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